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Board of Public Utilities



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NOTICE

IN THE MATTER OF COMPETITIVE SOLAR INCENTIVE ("CSI") PROGRAM PURSUANT TO P.L. 2021, C.169

Docket No. [QO21101186](#)

Staff of the New Jersey Board of Public Utilities ("NJBP" or "Board") invites all interested parties and members of the public to participate in a virtual Stakeholder Meeting to discuss the Competitive Solar Incentive ("CSI") Program and provide feedback on the second solicitation which opened for prequalification on November 27, 2023, and closed to bids on February 29, 2024. On April 17, 2024, the Board awarded 310.21 megawatts ("MW") of solar generation and 80 megawatt hours ("MWh") of storage paired with solar generation. Staff seeks stakeholder input on the successes and obstacles of the most recent CSI Program solicitation to improve the process for upcoming solicitations.

VIRTUAL STAKEHOLDER MEETING

DATE: Tuesday, September 17, 2024
TIME: 10:00 a.m. – 12:00 p.m.
LOCATION: Zoom Virtual Webinar
REGISTER: https://us06web.zoom.us/webinar/register/WN_NeE1xlfXRkKiyfrZnOiYAO

Board Staff will host the stakeholder meeting along with CSI solicitation manager, Daymark Energy Advisors. Please note that the public meeting will be conducted via Zoom. You must register for the public meeting to attend, using the link provided above. Stakeholders and members of the public are invited to participate and may express their views. To encourage full participation, please submit any requests for needed accommodations, such as interpreters and/or listening assistance, 48 hours prior to the above meeting to the Board Secretary at board.secretary@bpu.nj.gov. If you want to reserve a speaking opportunity, please register at least 48 hours before the start of the meeting and indicate your request to speak during the online registration process. After registering, you will receive a confirmation email containing information about joining the meeting and information about checking your system requirements in advance of the meeting. Please check access and devices in advance of the meeting to ensure that they will properly connect.

The deadline for comments on this matter is 5 p.m. on September 24, 2024. Please submit comments directly to the specific docket listed above using the "Post Comments" button on the Board's [Public Document Search](#) tool. Comments are considered "public documents" for purposes of the State's Open Public Records Act and any confidential information should be submitted in accordance with the procedures set forth in N.J.A.C. 14:1-12.3. Written comments may also be submitted to:

Sherri L. Golden
Secretary of the Board
44 South Clinton Ave., 1st Floor
PO Box 350
Trenton, NJ 08625-0350
Phone: 609-292-1599
Email: board.secretary@bpu.nj.gov

Dated: August 30, 2024

Sherri L. Golden
Secretary of the Board

BACKGROUND

The CSI Program was established by Board Order on December 7, 2022, pursuant to the Solar Act of 2021 (“Solar Act” or “Act”). The CSI Program aims to provide incentives in the form of Solar Renewable Energy Certificates (“SREC-IIs”) for 300 megawatts (“MW”) of new solar generation annually through a competitive solicitation process. The CSI Program is open to all qualifying grid supply solar installations, non-residential net metered solar installations with a capacity greater than five (5) MW, and eligible grid supply solar installations combined with energy storage. The program awards SREC-IIs through a competitive solicitation, with four separate market segments, or tranches: 1) Tranche 1: basic grid supply projects; 2) Tranche 2: grid supply projects sited on the built environment; 3) Tranche 3: grid supply projects sited on contaminated sites and landfills; and 4) Tranche 4: net metered non-residential projects greater than five (5) MW. A fifth tranche pairs a storage project with a grid supply project eligible for Tranche 1, 2, or 3. During a pre-qualification period, projects provide evidence that they meet maturity requirements and specific tranche eligibility criteria; applications undergo administrative review by the solicitation manager. Eligible CSI projects then submitted a bid for an SREC-II award in their tranche, specified in dollars per MWh of solar electricity production; pre-qualified projects compete on bid price only. As a means to protect ratepayers from excessive incentivization, the Solar Act provides the Board the ability to establish confidential, pre-determined price caps for any and all tranches prior to the solicitation which the Board has implemented in each of the two solicitations held thus far.

The first solicitation of the CSI Program opened for prequalification on February 1, 2023, and bid submission closed on March 31, 2023. By Order dated July 12, 2023, the Board declined to make any awards in the first solicitation as all bids were higher than the confidential, pre-determined price caps. The second solicitation of the CSI Program opened on an expedited timeline, with the solicitation window opening on November 27, 2023, and closing to bids on February 29, 2024. By Order on April 17, 2024, the Board awarded SREC-IIs to eight projects, five in Tranche 1: Basic Grid Supply and three in Tranche 3: Grid Supply on Contaminated Sites or Landfills, for a total of 310.21 MW of solar generation as well as 80 MWh of storage paired with solar generation. No bids were received in Tranche 2: Grid Supply on the Built Environment or Tranche 4: Net Metered Projects Greater than five (5) MW, and the Board reallocated the capacity from these tranches to award additional competitively bid projects in Tranche 1. Staff seek stakeholder feedback on obstacles to participation or success in the CSI Program and in particular on those tranches which were undersubscribed. Based on its consideration of comments received, Staff may recommend adjustments to the CSI Program solicitation process, tranches, or capacity allocations.

Questions for Stakeholders

Board Staff invite stakeholders to provide specific feedback on the following topics:

1. Solicitation Process

All projects competing in the CSI Program solicitation are required to prequalify through an administrative review before submitting an SREC-II bid.

- A. Were there specific aspects of the pre-qualification or solicitation process that you consider overly burdensome? How would you propose alleviating the burden? Are there any ways in which the existing solicitation process could be modified that you believe would encourage more participation?
- B. Does the timing of the solicitation cycle work for you? If not, why not, and what changes would you suggest? If you recommend making solicitations more frequent, do you have any recommendations for ensuring more frequent solicitations remain competitive?

2. Project Maturity Requirements

Project maturity requirements currently include a PJM queue position with a completed feasibility study, site plan, and project details.

- A. What are your concerns associated with the PJM queue process and its ongoing reform? Would you suggest any potential alternatives to current PJM queue position requirements, such as a project security deposit or escrow?

3. Tranche-specific Considerations

Market tranches were created based upon the difference in project costs, siting preferences for projects on the built environment and marginalized lands that align with the statute and past Board policy, and anticipated revenue streams. In the second solicitation, no bids were received in Tranche 2, Grid Supply on the Built Environment, or in Tranche 4, Net Metered Non-Residential Projects greater than 5MW.

- A. Please describe ways in which you think the current tranche structure could be changed that would encourage additional participation, such as changing tranche definitions, consideration of project types like floating solar, or capacity allocation changes.
- B. Please describe any specific barriers to participation in the market tranches and any suggested modifications for future solicitations.
 - i. Tranche 2, Grid Supply on the Build Environment. Please provide feedback on how the Board could expand the definition of Tranche 2 to include other preferred siting types.
 - ii. Tranche 3, Grid Supply on Contaminated Sites or Landfills
 - iii. Tranche 4, Net Metered Non-Residential Projects greater than 5MW. In what ways do the rules raise obstacles to participation for this project type?

4. Siting Accessibility

- A. What challenges do you experience with finding available preferred sites, particularly on built environments? What additional support or guidance, including siting tools, would assist you?

5. Project Funding

- A. What cost-related obstacles prevent or hinder your participation in the CSI Program?
- B. Please describe specific cost-related obstacles related to Tranche 3 (Grid Supply on a Contaminated Site or Landfill). Are you aware of additional sources of funding? Can you comment on whether any other sources of funding for landfill closure are available to support landfill projects in addition to solar incentive funds?